

**Title 10**  
**FINANCIAL INSTITUTIONS, CONSUMER CREDIT,**  
**INVESTMENT SECURITIES**  
**AND UCC**

**Chapter 5. Applications**  
**Subchapter A. Certificate of Authority**  
**for New Financial Institutions;**  
**Branches; or Relocation of Main Office**  
**or Branch Office**

**§501. Definitions**

*Applicant* - one or more natural persons or a state-chartered financial institution seeking a certificate of authority from the commissioner to transact business as a financial institution, or a branch thereof, as defined below.

*Application* - shall consist of forms provided by the commissioner, submitted in a form acceptable to the commissioner, along with all supporting documents, requesting that a certificate of authority be granted.

*Branch* - any additional location for receiving deposits, or paying checks, or lending money apart from the chartered premises. Includes off-site electronic financial terminals which are owned or leased by the financial institution.

*Branch Office* - any additional office for receiving deposits, or paying checks, or lending money apart from the chartered premises. (Does not include off-site electronic financial terminals or loan production offices.)

*Commissioner* - the commissioner of Financial Institutions.

*Electronic Financial Terminal (EFT)*

1. an electronic information processing device, other than a telephone, which is established to do either or both of the following:

a. capture the data necessary to initiate financial transactions; or

b. through its attendant support system, store or initiate the transmission of the information necessary to consummate a financial transaction.

2. The term includes, without limitation, point of sale terminals, merchant-operated terminals, script or cash-dispensing machines, and automated teller machines.

*Financial Institution* - any bank, savings bank, homestead association, building and loan association, or savings and loan association chartered by the commissioner.

*Investigation* - the commissioner or any examiner or examiners designated by the commissioner shall make such investigations as deemed necessary to assist in the determination of matters pending before the commissioner. The investigation shall include an examination of each of the six factors detailed in 503.C.

*Loan Production Office* - a location, other than the financial institution's main office, branch office or subsidiary corporation, with the authority to lend money, where the employees of a financial institution or its subsidiary conduct the solicitation and origination of applications for loans, provided that the loans are approved and made at the main office, branch office or subsidiary corporation.

*"Phantom" Financial Institution* - a corporation organized as a state, nondeposit taking financial institution, for the purpose of facilitating the organization of a holding company.

*Relocation of a Branch Office* - a movement within the same neighborhood that does not substantially affect the nature of business or customers served.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:121(B)(1).

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 19:1414 (November 1993).

### **§503. Application for Certificate of Authority**

A. Scope. This rule applies to applications for a certificate of authority under R.S. 6:101 et seq.

#### **B. Application Filing and Notice**

1. Applications shall be in such form and contain such information as the commissioner may from time to time prescribe. Application forms may be obtained from the office of the commissioner. The application shall contain a public section and a confidential section. The public section shall include comments and information submitted by interested persons in favor of or in opposition to such application.

2. The original and one copy of the application must be submitted in completed form to the commissioner. Applicants seeking a certificate of authority to operate as a savings bank must also submit a business plan as required by R.S. 6:1125. Any application not substantially complete will not be accepted for filing and will be returned to the applicant resulting in processing delay.

3. Within 30 days prior to receipt of application by the commissioner, applicant must publish a one-time notice in a newspaper of general circulation in the community in which the institution/branch is to be located. The published notice will contain such information as deemed necessary by the commissioner. A sample notice will be provided together with the application forms.

4. Proof of publication must be submitted to the commissioner before processing of the application can be completed. In the case of an acquisition of a failed or failing financial institution, requirement for publishing a notice will be waived.

5. Upon acceptance of the application for filing, notice in writing will be given to financial institutions in the community in which the institution/branch office is to be located. This notice will allow for a reasonable comment period, normally 14 calendar days.

6. Upon acceptance of the application for filing, the commissioner or any examiner or examiners designated by the commissioner will conduct an investigation. Information not included in the application, which is necessary to determine the six factors described below, will be requested from the applicant. Processing of an application will not be completed until the satisfactory conclusion of the investigation.

C. Factors to be Considered. Six factors within the application are to be considered:

1. financial history and condition;
2. distribution and adequacy of capital;
3. future earnings prospects;
4. management;
5. convenience and needs of the community;
6. corporate powers.

D. Acquisition of a Failed or Failing Financial Institution. The commissioner may waive any provision of this rule which is not required by statute.

AUTHORITY NOTE: Promulgated in accordance with R.S. 6:121(B)(1).

ISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions, LR 19:1415 (November 1993).

### **§505. Application to Relocate a Main Office or Branch Office**

A financial institution desiring to relocate its main office or an existing branch office must make application to the commissioner. Five of the above factors to be considered for a new branch office will also be considered for a relocation. Convenience and needs of the community will not be considered for a branch office relocation since a relocation does not substantially affect the nature of business or customers served. An application to relocate a main office must address the convenience and needs of the community unless the relocation does not substantially affect the nature of business or customers served.

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